

**HB**

**488**

# Alaska State Legislature

## House of Representatives

### Committees

Rules Committee, Chair  
Legislative Council  
International Trade & Tourism  
Military & Veterans Affairs  
World Trade & State/Federal Relations



Interim:  
10928 Eagle River Rd. Suite 141  
Eagle River, AK 99577

Session:  
Alaska State Capitol  
Juneau, AK 99801

## SPONSOR STATEMENT

HB 488

### Alaska Royalty Oil & Gas Development Advisory Board

Hours of public testimony from the mining, logging, fishing, trucking and other Alaskan industries have left little doubt that high fuel prices have a definite retardant effect on the economic development and quality of living in the State of Alaska.

Alaska refiners strongly influence regional prices through company owned retail outlets and distributors. Refiners are attempting to replace independent retail outlets and distributors with company operated outlets to solidify their control over prices. Neither capacity nor availability of supply is a determining factor in the cost of fuel in Alaska. Refiners say, "We charge what the market will bear." Alaskans would not bear these high prices if they had any alternative.

The Alaska Royalty Oil & Gas Development Advisory Board is charged to protect the Alaskan public under Statutes 38.05.183 and 38.06.070 from obscenely high fuel prices.

HB488 changes the makeup of the board increasing public members. HB 488 has three main objectives:

1. Replace the Commissioner of Revenue with the Commissioner of DCRA on the board.
2. Raise the number of voting members from five to seven (the Commissioner of Natural Resources is a non-voting member).
3. Change the number of members with petroleum related backgrounds from three to one. This leaves on the board four members whom are not from a petroleum background or members of the administration.

The Alaska Royalty Oil and Gas Development Advisory Board under AS38.06.070 gives Alaskans the opportunity to receive all possible benefits from the sale of Alaska royalty oil. By switching the commissioner of the department of revenue to the commissioner of

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community & regional affairs, a broader range of Alaskans will be represented while still ensuring that revenue generated to the general fund is maintained.

Currently, all public members are required to have a petroleum-related background. This limits the number of people who wish to serve on the board. Allowing people who do not have a petroleum background will make the board more diversified. This will provide fairer representation to Alaskans.